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Headquarters
audit

MEMORANDUM FOR: Deputy Director for Support

13 JAN 1964

SUBJECT : Report of Audit of Supply Division
1 June 1962 - 30 June 1963

REFERENCE : Memorandum dated 3 December 1963 to D/L from
DD/S, same subject (DD/S 63-4996)

1. This memorandum is for information only.
2. Attachment A delineates those items which have been accomplished through the efforts of the Systems Analysis Group together with other elements of the Supply Division.
3. Attachment B lists those items which are still under study or in the process of implementation.
4. The Systems Analysis Group utilized the services of the designated representative from the Policy & Systems Staff/Office of Finance on a limited basis, but in subsequent phases of this survey greater demand for his services will be required in the interrelated areas involving both the Office of Finance and the Office of Logistics.
5. Representatives of the Office of Computer Services, DD/S&T, met with the Systems Analysis Group on Wednesday, 11 December 1963. This meeting was essentially devoted to describing the Supply Division organization, functions and procedures to the representatives of the Office of Computer Services. During the meeting it was determined that when the Systems Analysis Group completed its total systems chart (scheduled for completion approximately 27 January 1964) the total systems chart would be presented to the Office of Computer Services for technical review and discussions relative to:
 - a. Better utilization of present available Electronic Data Processing (EDP) equipment;
 - b. Suggested technical revisions to present EDP programs;
 - c. Possible revisions in present and/or proposed procedures which would facilitate adaptation to present EDP equipment and peripheral machine procedures;
 - d. Consideration of other types of computer equipment.

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6. The completed items indicated on Attachment A and those in-process items on Attachment B justify the establishment of the Systems Analysis Group of the Supply Division survey as the correct approach to the existing situation. It is also my opinion that the end results of this survey will be greater utilization of ZDP facilities by Supply Division and a more effective and efficient supply system within the Office of Logistics.

JAMES A. GARRISON
Director of Logistics

Attachments:
As stated

Distribution:

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OL/SD: [redacted] (8 Jan 64)

for 9 Jan 64.

9 Jan 64

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ATTACHMENT A

COMPLETED ACTIONS BY THE SYSTEMS ANALYSIS GROUP/SUPPLY DIVISION

1. Property-turn-in (Form 390) processing procedures have been revised effective 15 December 1963, resulting in the elimination of manual posting of the line items on PTI's to the stock status reports. Effective with this revision, the stock editors in the [] [] are no longer involved in the document processing and have discontinued the manual posting of data from the PTI documents to the inventory status reports.
2. Property-in-use procedures have been completely revised effective 1 December 1963 to streamline the paper processing and also eliminate manual posting to property-in-use status records. In the revised procedure the Electronic Data Processing (EDP) prepared reports without any manual posting will be utilized for all information and inquiries relative to the property-in-use accounts.
3. The preparation of Receiving Reports (Form 595) for bulk deliveries of gasoline [] will be discontinued as of 13 January 1964. Investigations of this matter revealed that the vendor's monthly billing certified by the individual receiving the gasoline is adequate to satisfy documentary requirements for payment purposes.
4. The preparation of Receiving Reports (Form 595) on the basis of the reports (Form 49) from the O&L Branch, CFD/Office of Finance, for covert procurement of nonexpendable items by field activities has been discontinued. In lieu of the Form 595, Supply Division is now utilizing the two copies of Form 49 received from the O&L Branch to satisfy the requirements of property accounting.
5. Effective 6 January 1964 the stock replenishment functions previously located in [] have been transferred to the Supply Management & Cataloging Branch. This realignment of the functions places the direct responsibility for stock replenishment under the control of commodity managers located in the Supply Management & Cataloging Branch and should result in a more effective and efficient operation.
6. Initial action has been effected to participate in the Government-wide federal catalog program operating under GSA control. The organization security problems preclude full adaptation in those areas related to sensitive or classified items of material. However, this situation prevails in only approximately 10% of the total volume of ordnance items are not included. When fully implemented this program will reduce the workload for routine catalog functions and thereby allow more time to be diverted to the primary responsibility of publishing catalogs to interested Agency elements. Implementation

ATTACHMENT A

of this program will result in an increase in the scope of stock items and will reduce the individual small quantity requirements for non-stock type items presently being levied on the Procurement Division. To more effectively accomplish the mission of the Office of Logistics, greater emphasis must be placed on filling of demands from stock as opposed to direct procurement actions.

7. The Property Voucher Register consisting of 35 specific designations of blocks of numbers has been revised effective 1 January 1964, consolidating these 35 blocks into 23 blocks. This revision will simplify the assignment and control of property vouchers within the Supply Division.
8. Program changes in the EDP system have been initiated as of 1 January 1964 to effect a regrouping of transaction processing in the updating procedure. This regrouping will eliminate a considerable portion of the readouts previously experienced in the monthly stock status updating operations.
9. EDP readout procedures have been updated as of 1 December 1963 to insure that an immediate analysis is made to determine the cause and to initiate prompt corrective action.

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ATTACHMENT B

IN-PROCESS ACTIONS BY THE SYSTEMS ANALYSIS GROUP/SUPPLY DIVISION

1. The total supply systems chart is being revised with a scheduled completion date of approximately 27 January 1964. This chart will be the basic tool for technical discussions with representatives of the Office of Computer Services, DD/S&T.
2. The reporting system is being analyzed to determine that:
 - a. Present reports provide the management tools desired;
 - b. The number and frequency of the reports are justified.
3. The documentary control system utilizing Electronic Data Processing (EDP) machine techniques is being studied to improve the documentary control system.
4. The material requisition (Form 88) and the shipping document (Form 891) are being studied for consolidation into a single document to reduce clerical efforts required by external elements as well as by the Supply and Transportation Divisions in the Office of Logistics. Also included in this study is a plan to limit requisitions to a single page, thereby streamlining and simplifying procedures related to material support throughout the Office of Logistics.
5. Serious consideration is being given to the establishment of a new element within the Headquarters portion of Supply Division to be identified as the Property Control and Distribution Center. It would be the function of this element to act as the incoming control point for all supply action requisitions including the [] channel. This element will determine general availability and effect distribution to the appropriate [] and/or Procurement Division. The major advantages of this realignment of functions will be to relieve the present [] of approximately 40% of its existing paper documentary workload, to expedite requisition distribution and flow to Procurement and Transportation Divisions, and also to eliminate the duplication of cataloging functions presently located in the [].
6. A shipment scheduling and consolidating procedure is presently under study with the objective of consolidating partial shipments under a single requisition and, where possible, consolidating multiple cargoes to a single destination, making greater utilization of less than premium transportation and eliminating, wherever possible, the individual multiple partial shipment actions.

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ATTACHMENT B

7. Requisition availability editing by machine methods vice manual editing is being investigated. Because of the peculiarities of this organization, such a system is not as readily adaptable as it might be in DOD activities or in other Government agencies. However, every effort will be made to adapt some form of mechanical editing to our system if possible.
8. In conjunction with the Policy & Systems Staff of the Office of Finance, a study of the integrated property and financial property accounting will be accomplished to consider simplification of procedures and elimination of detailed data not being fully utilized.
9. Receiving procedures [] are being examined in depth to consolidate functions, to streamline document processing, and to eliminate copies of documentation not being utilized.
10. A realignment of functions within the Supply Division will be made to correspond to the procedural changes resulting from this survey.

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